12/20/01

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

Hearing:

Paper No. 30

HRW

October 24, 2001

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Little Caesar Enterprises, Inc.

v.

Silver Lake Restaurant Systems, Inc.

Opposition No. 108,652 to application Serial No. 75/139,794 filed on July 25, 1996

Marc A. Bergsman of Dickinson Wright PLLC for Little Caesar Enterprises, Inc.

Robert F. Zielinski of Wolf, Block Schorr and Solis-Cohen LLP for Silver Lake Restaurant Systems, Inc.

Before Cissel, Hohein and Wendel, Administrative Trademark Judges.

Opinion by Wendel, Administrative Trademark Judge:

Silver Lake Restaurant Systems, Inc. has filed an application to register the mark PEACE A PIZZA and design,

as shown below, for "restaurant services." 1

_

¹ Serial No. 75/139,794, filed July 25, 1996, based on an allegation of a bona fide intention to use the mark in commerce.



Little Caesar Enterprises, Inc. has filed an opposition to registration of the mark on the ground of priority of use and likelihood of confusion under Section 2(d) of the Trademark Act.² In the notice of opposition opposer alleges use of the mark PIZZA!PIZZA! in connection with pizza and restaurant services since 1980; ownership of registrations for the mark PIZZA!PIZZA! and marks containing the term PIZZA!PIZZA! for various food items and restaurant services; continuous and extensive

² Although opposer included allegations of false suggestion of a connection with opposer under Section 2(a) of the Trademark Act in the notice of opposition, opposer failed to pursue these allegations and thus we have given no consideration to the same.

³ Registration No. 1,295,178, issued September 11, 1984, for the mark LITTLE CAESARS PIZZA!PIZZA! and design for "restaurant services"; Section 8 & 15 affidavits; disclaimer of "pizza"; Registration No. 1,297,170, issued September 18, 1984, for the mark LITTLE CAESARS PIZZA!PIZZA! and design for "restaurant services"; Section 8 & 15 affidavits; disclaimer of "pizza";

Registration No. 1,399,730, issued July 1, 1986, for the mark PIZZA!PIZZA! (as amended) for "pizza for consumption on or off the premises"; Section 8 & 15 affidavits; disclaimer of "pizza";

Registration No. 1,439,558, issued May 12, 1987, for the mark PIZZA!PIZZA! (as amended) for "restaurant services"; Section 8 & 15 affidavits; disclaimer of "pizza";

Registration No. 1,811,270, issued December 14, 1993, for the

use and promotion of these marks such that the marks have become extremely valuable business and marketing assets of opposer; and a likelihood of confusion because of the close resemblance of applicant's mark PEACE A PIZZA and design to opposer's marks as used in connection with opposer's goods and services.

Applicant, in its answer, has denied the salient allegations of the notice of opposition.⁴

The Record

The record consists of the file of the involved application; opposer's testimonial declarations of Robert A. Elliott, former Vice-President of Marketing of opposer, and Stuart de Gues, Senior Director of Advertising of opposer, made of record by notices of reliance; responses by applicant to certain of opposer's interrogatories and requests for admission and dictionary definitions made of record by opposer by notices of

mark LITTLE CAESARS' PIZZA!PIZZA! CRAZY KIDS and design for "restaurant services"; Section 8 affidavit; disclaimer of "pizza"; and

Registration No. 2,071,554, issued June 17, 1997, for the mark PIZZA!PIZZA! PICNIC! for "combination meals consisting of pizza, bread, and a non-alcoholic beverage for consumption on and off the premises"; disclaimer of "pizza."

⁴ Although alleging as an affirmative defense the ground of estoppel, applicant has failed to take any action with respect to this defense and thus it will not be further considered.

reliance; certified copies of opposer's pleaded registrations made of record by notice of reliance; applicant's trial testimony depositions of Peter Howey, President of applicant, and Joseph Leggio, Secretary of applicant; and opposer's rebuttal testimonial declarations of Linda Jaworski, Senior Vice President of Marketing for opposer, and Kevin J. Friesen, Vice president of Operations for the Midwest Region for opposer, also made of record by notices of reliance.

Both parties filed briefs 7 and participated in an oral hearing.

The Parties

Opposer has operated restaurants featuring pizza and related products since May 1959. As of 1996, opposer was the franchisor of over 4,200 restaurants located in each of the fifty states, as well as Puerto Rico and Guam. By 1998 there were in excess of 5,000 restaurants including

⁵ The parties filed a stipulation that the testimony of these two witnesses could be submitted in declaration form in accordance with Trademark Rule 2.123(b).

⁶ The parties also stipulated to the submission of this testimony in declaration form.

⁷ Opposer has objected to exhibits C-F attached to applicant's brief as not being part of the record. Introduction of new evidence with the brief is clearly untimely. Inasmuch as this material was neither submitted by means of notice of reliance during applicant's testimony period nor introduced during the taking of testimony by applicant, Exhibits C-F are hereby stricken and have been given no consideration.

non-traditional locations such as airports, K-Mart stores and college campuses. Opposer's sales rose from \$39.2 million in 1979 to \$2 billion in 1994. Opposer's ranking in restaurant chains based on sales was 13th in 1993 and 14th in 1994. In January 1995 opposer was recognized by Restaurants and Institutions Magazine as providing the best pizza value in America for the eighth consecutive year.

Opposer adopted PIZZA!PIZZA! as a trademark and advertising theme in the late 1970s. The mark PIZZA!PIZZA! is used to promote opposer's marketing strategy based on value, namely, two pizzas for one low price. The PIZZA!PIZZA! mark appears on store signs, pizza boxes, pizza bags, menus, napkins, drinking cups and advertising materials. In 1997 opposer sold approximately 180,000,000 pizzas and projected that the same amount would be sold in 1998. Each pizza that was sold was placed in a box or bag bearing the PIZZA!PIZZA! mark. A broad sampling of advertisements, newspaper inserts, coupons, direct mail advertisements and other promotional materials featuring the mark PIZZA!PIZZA! has been made of record. The PIZZA!PIZZA! advertising theme has been so successful that opposer has adopted other

double word marks, such as PAN!PAN! and CHEESER!CHEESER!, for use in advertising its restaurants.

As of the time of taking testimony, opposer had conducted approximately six different national television advertising campaigns a year, each campaign lasting approximately eight weeks. The trademark PIZZA!PIZZA! is featured as the tag line at the end of the television commercials, with opposer's "Roman Man" character saying the words PIZZA!PIZZA!. Opposer spent approximately \$36,000,000.00 on national television advertising in 1996 and projected expenditures of \$35,000,000.00 in 1998. These commercials are regularly broadcast over the NBC, CBS, ABC and FOX networks as well as cable channels. The commercials over the years have been viewed by hundreds of millions of viewers. In recent years, consumers have rated opposer's television advertisements among the most memorable twenty-five commercials, ranking them second in 1994, fifth in 1993, first in 1992, seventh in 1991 and sixth in 1990.

Opposer uses direct mail and newspaper inserts in conjunction with its national television advertising. As of 1998 opposer issued mailings and newspaper inserts which featured the mark PIZZA!PIZZA! approximately twice a month. The traditional restaurant locations order

between 5,000 and 10,000 printed advertisements per month, resulting in approximately 25,000,000 print drops per month which feature the mark PIZZA!PIZZA!.

Opposer is frequently the subject of articles in newspapers and magazines. A number of these articles in which the mark PIZZA!PIZZA! is mentioned have been made of record.

Opposer's menu includes pizza by the slice. Since at least 1982 opposer has promoted pizza by the slice, although primarily as a lunch item. Since 1994 opposer has implemented a school lunch program in which opposer delivers pizzas to participating schools, which in turn sell pizza by the slice. In 1999 opposer opened two drive-through restaurants in Detroit where the emphasis is on pizza by the slice and combination meals including slices of pizza.

Applicant was incorporated in 1995 and has three principal shareholders. Applicant has approximately 100 full and part-time employees in its five restaurants. The first restaurant began operations in Ardmore, Pennsylvania in May 1996, the second in Newark, Delaware in January 1998, the third in State College, Pennsylvania in March 1998, the fourth in Stone Harbor, New Jersey in June 1998 and the last in Rosemont, Pennsylvania in May

1999. Applicant's market is basically gourmet pizza by the slice; approximately 75% of its sales are by the slice. A full range of pizza slices with many different topping combinations are available, which cost from \$2.50 to \$2.75 per slice. Applicant offers both eat-in and take-out services, with delivery at only two of its stores, and with eat-in predominating at most of the restaurants. For the most recent year (the Howey deposition was taken in June 1999) the approximate sales for all of its restaurants were \$1.8 million.

The origin of the mark PEACE A PIZZA lies in the concept of "pizza by the slice" or a "piece of pizza."

According to the testimony of applicant's president Peter Howey, the shareholders and others were attempting to come up with a name in line with "piece of pizza" and one of the group drew a peace symbol, which they decided would be a good theme they could play on. Applicant has incorporated the theme of the 60-70's peace movement into its restaurants and its marketing efforts. Its principal advertising means are Volkwagen vans with peace symbols on them and a large piece of pizza on top. Its restaurants display peace symbols on their signs, tiedyed shirts with the PEACE A PIZZA and design logo on them are used, and peace slogans and the peace symbol are

incorporated in their promotional materials. Applicant's first use of its mark was in late 1995 in connection with catering services. Its first use of the mark in connection with restaurant services commenced with the opening of its Ardmore location in May 1996.

The Opposition

Priority is not an issue here in view of opposer's submission of certified status and title copies of its pleaded registrations. See King Candy Co. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). In addition, opposer's witness Robert A. Elliott has testified to the adoption and used of the mark PIZZA!PIZZA! for restaurant services by the late 1970s, a time well prior to applicant's filing of its intent-to-use application or its actual first use of its mark.

Turning to the issue of likelihood of confusion, we take under consideration all of the *du Pont* factors which are relevant under the present circumstances and for which there is evidence of record. See E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

Insofar as the respective services are concerned, they are both restaurant services. Opposer's Registration No. 1,439,558 is for the mark PIZZA!PIZZA!

for restaurant services and applicant's services are similarly identified in its intent-to-use application.

Furthermore, there are no restrictions in the services as identified as to channels of trade or class of purchasers. Because there are no such limitations, it must be presumed that the restaurant services of both would be offered in all the normal channels of trade and to all the usual customers of services of this type. Canadian Imperial Bank v. Wells Fargo Bank, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987). While applicant argues that the cost of its gourmet pizza as opposed to opposer's valued-priced pizzas effectively creates different channels of trade, we are not persuaded by this argument. The issue of likelihood of confusion must be determined based on an analysis of the mark as used in connection with the services recited in applicant's application vis-à-vis the services recited in opposer's registration(s), rather than what any evidence may show the actual services to be. See Canadian Imperial Bank v. Wells Fargo Bank, supra; CBS Inc. v. Morrow, 708 F.2d 1579, 218 USPQ 198 (Fed. Cir. 1983). Here the normal channels of trade for the restaurant services of both opposer and applicant would be the same.

Similarly, we can make no distinction on the basis of the conditions under which, and buyers to whom, sales are made. Both parties are selling pizza to the general public. This is a relatively inexpensive purchase and subject to impulse buying. Purchasers of products of this type typically exercise a lesser standard of purchasing care. See Recot Inc. v. M.C. Becton, 214 F.3d 1332, 54 USPQ2d 1895 (Fed. Cir. 2000). We find no evidence of record from which we might conclude that, because applicant's gourmet slices range from \$2.50 to \$2.75 a piece, purchasers would exercise any greater degree of care in selecting between the parties' restaurants. The product remains a relatively inexpensive food item which is purchased on a casual basis without any great degree of forethought or consideration.

Turning to the similarity or dissimilarity of the respective marks, we are guided in our analysis by the general principal that when marks are used in connection with identical services, the degree of similarity in the marks necessary to support a conclusion that confusion is likely declines. Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ 1698 (Fed. Cir. 1992).

We are in full agreement with applicant that opposer's mark PIZZA!PIZZA! differs in appearance from applicant's mark PEACE A PIZZA with an accompanying peace sign imposed on pizza. Furthermore, the connotations of the two marks are distinctively different. Opposer's repetitive mark is clearly directed to its offering of two pizzas for the price of one, whereas applicant's mark conjures up a double entendre, with the term "peace" and the peace symbol being reminiscent of the peace movement of the 60s and 70s and at the same time referring to applicant's sale of its pizzas by the "piece."

We must disagree, however, with applicant's argument that the pronunciations of the two marks are "quite easy to distinguish." Although the separate words "peace" and "pizza" may differ phonetically, the word portion of applicant's mark in its entirety is virtually indistinguishable in sound from opposer's PIZZA!PIZZA! mark. It is true one can not predict the exact manner in which the two marks will be pronounced; there is no one correct pronunciation for a mark. See Yamaha International Corp. v. Stevenson, 196 USPQ 701 (TTAB 1977). Nonetheless, the nearly identical sounds which will result from normal pronunciations of these two marks which are composed of commonplace, readily recognized,

words is quite obvious. "PEACE A" is almost identical in pronunciation to "PIZZA" and when PEACE A PIZZA is pronounced it sounds very much like PIZZA!PIZZA!. Moreover, contrary to applicant's argument that the dominant portion of its mark is the peace sign and the word PEACE, we find the entire word portion PEACE A PIZZA to be the dominant portion. Clearly, the words "A PIZZA" are as prominently displayed as the word "PEACE" and consequently it is the entire word portion of the mark which will be relied upon by customers in referring to applicant's restaurant services, rather than the design portion. Thus, the word portion is that which will be accorded more weight in determining the similarity of the marks. See In re Appetito Provisions Co., 3 USPO2d 1553 (TTAB 1987). Therefore, we have considered the entire word portion of applicant's mark in making this comparison of sound.

Furthermore, while the virtually indistinguishable sounds of the marks involved in itself may not, in many cases, be sufficient to support a holding of likelihood of confusion, we find that the circumstances here are such that this high degree of similarity in sound would play a major role in causing a likelihood of confusion. In the first place, opposer's mark PIZZA!PIZZA! is

presented aurally at the end of each of its television commercials and thus the sound is implanted in consumers' minds. Second, because it is common for consumers to refer to a restaurant by its word name, it is reasonable to assume that consumers would refer to applicant's restaurant by the name PEACE A PIZZA, which might well bring to mind the nearly indistinguishable sounding PIZZA!PIZZA!. See Giant Food, Inc. v. Nation's Food Service, Inc., 710 F.2d 1565, 218 USPQ 390 (Fed. Cir. 1983). In fact the record shows that, when consumers call the restaurant, applicant's employees frequently answer the telephone with the words PEACE A PIZZA. (Howey deposition p. 72). Thus, on the basis of sound alone, we find a high degree of similarity between the respective marks.

Next we turn to a most significant factor in the present case, the fame of the prior mark, namely opposer's mark PIZZA!PIZZA!. As stated by our principal reviewing court in Kenner Parker Toys v. Rose Art Industries, Inc., 963 F.2d 350, 353, 22 USPQ2d 1453, 1456 (Fed. Cir. 1992), in its consideration of the fame of the prior mark:

[A] mark with extensive public recognition and renown deserves and receives more legal protection than

an obscure or weak mark.

Achieving fame for a mark in the marketplace where

countless symbols clamor for public attention often requires a very distinct mark, enormous advertising investments, and a product of lasting value. After earning fame, a mark benefits not only its owner,

but

the consumers who rely on the symbols to identify the

source of a desired product.

We find the record here fully substantiates the fame which opposer's PIZZA!PIZZA! mark has achieved. length of use of the mark, the extensive advertising featuring the mark and the high level of sales over the years all point to the public recognition and renown of the mark. Not only have opposer's television commercials reached a vast audience, but also those commercials have been rated as being among the most memorable commercials for several years. Moreover, the mark PIZZA!PIZZA! clearly encapsulates the emphasis on value which opposer strives to achieve and which emphasis has been realized as shown by its rating as providing the best pizza value in America for eight consecutive years. Its sales figures establish the success of opposer's advertising investments and the widespread exposure of the public to the PIZZA!PIZZA! mark.

Applicant's arguments that opposer's mark is weak because of the frequent use of the word "pizza" in marks in the field of restaurant services or because of the

descriptive nature of the mark are to no avail.

Opposer's mark is not simply the word "pizza," but rather a novel presentation of the word twice, in such a format as to emphasize the offering of two pizzas for the price of one. Moreover, it is well established that long and continuous sales and advertising may transform even a weak mark into a strong and distinctive one based on its acquired secondary meaning as an indication of source.

See Miles Laboratories Inc. v. Naturally Vitamin

Supplements Inc., 1 USPQ2d 1445 (TTAB 1986) and cases cited therein. Despite any suggestive significance which the mark PIZZA!PIZZA! may originally have possessed, the record clearly establishes the present status of the mark as strong and distinctive.

As emphasized by the court in its recent decision in Recot, Inc. v M.C. Becton, supra, with respect to the significance of fame in the balancing of the du Pont factors, the fame of the prior mark, when present, must play a "dominant" role in the process. Thus it is that famous marks enjoy a wide latitude of legal protection. This broader protection is accorded because the marks are more likely to be remembered and associated in the public mind than a weaker mark. Id. at 54 USPQ2d 1897. In line with this reasoning, we find that opposer's famous

PIZZA!PIZZA! mark, especially because it is often aurally presented to the public, may well be called to mind when consumers encounter applicant's mark, which is dominated by the words PEACE A PIZZA and which words are nearly indistinguishable in sound from PIZZA!PIZZA!. We are convinced that the broader scope of protection to be accorded to a famous mark should extend to a mark which is being used for identical restaurant services and which is most likely to be indistinguishable in sound from the well-known mark.

We are aware that applicant has pointed out the absence of any evidence of record of known instances of actual confusion, despite applicant's actual use of its mark since May 1996. The question arises, however, whether there has been any real opportunity for confusion. The absence of reported instances of actual confusion would be meaningful only if the record showed appreciable and continuous use by applicant of its mark for a significant period of time in the same geographic area as opposer. See Gillette Canada Inc. v. Ranir Corp., 23 USPQ2d 1768 (TTAB 1992). Only one of applicant's restaurants has been open since 1996, the others opened later. The geographic market covered by applicant's restaurants is small. There is no evidence

of record that opposer even operates restaurants in that area. Accordingly, we can give little weight to the evidence of an absence of actual confusion. In any event, the issue is likelihood of confusion, not actual confusion.

As a final consideration, we note opposer's contentions that applicant did not adopt its PEACE A PIZZA and design mark in good faith. Despite the evidence that applicant's principals were familiar with opposer's mark, we do not find that the record supports any determination that the adoption of the mark PEACE A PIZZA and design was knowingly done with the intention of trading on the goodwill of opposer's PIZZA!PIZZA! mark. Whether or not applicant's principals are of an age as to have personally experienced the peace movement or whether their restaurants are in the locale of the original peace movement is immaterial. The peace symbol is well recognized even to this day. The adoption of the peace movement motif as part of a double entendre on the word "piece" appears to be a plausible business decision and one free from any insinuations of bad faith. Certainly on this record we can come to no other conclusion.

On the basis of the fame of opposer's mark PIZZA!PIZZA!, the legal identity of restaurant services

Opposition No. 108,652

in connection with which each party is using its mark, and the virtually indistinguishable sound of the spoken portion of applicant's mark PEACE A PIZZA and design from opposer's mark PIZZA!PIZZA!, we find that confusion is likely.

Decision: The opposition is sustained and registration is refused to applicant.